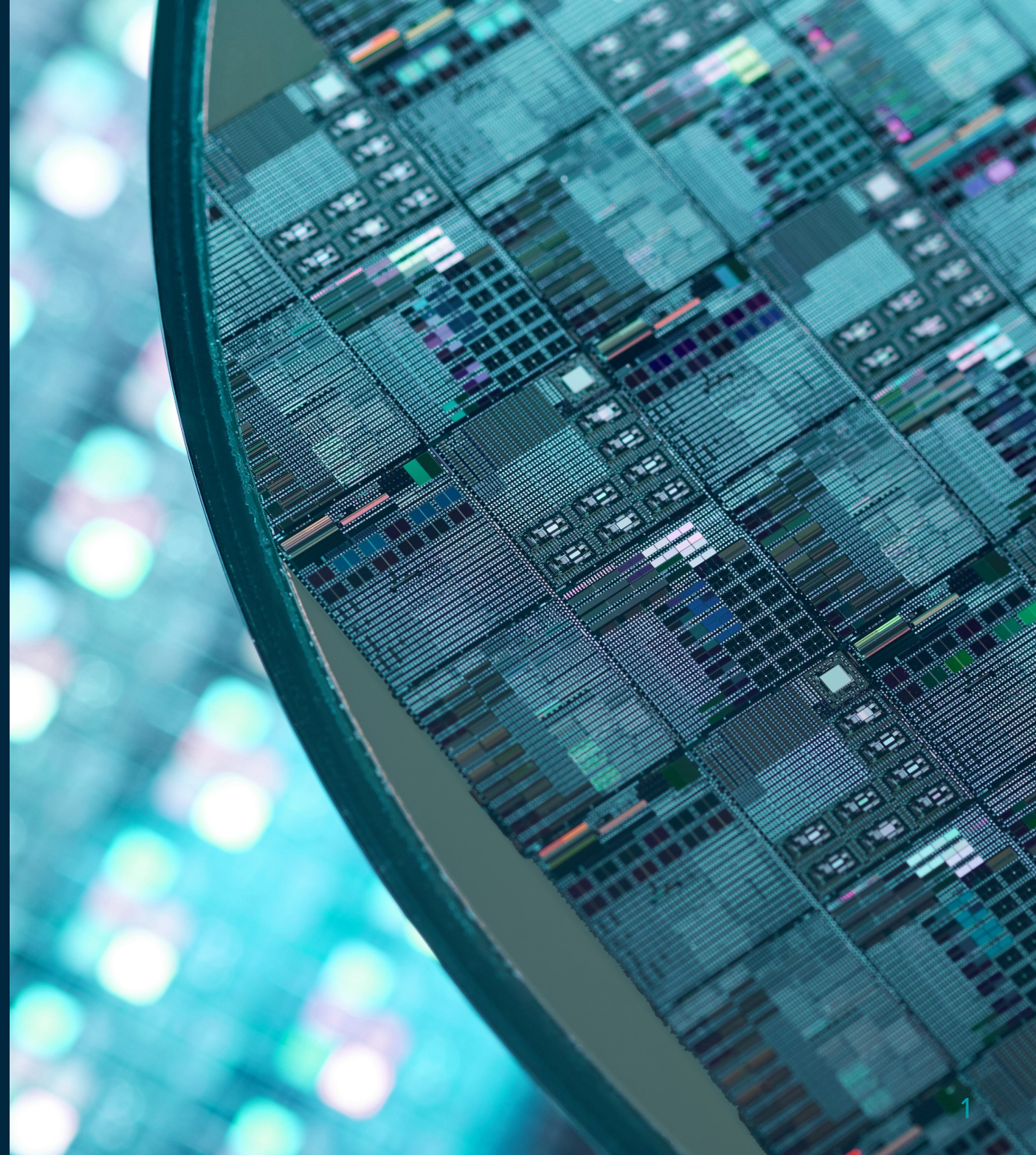




Supplemental Financial Information

July 30, 2020



Revenue by Geographic Region (in millions)

	<u>Q2 2020</u>	<u>Q1 2020</u>	<u>Q4 2019</u>	<u>Q3 2019</u>	<u>Q2 2019</u>	<u>Q1 2019</u>
China	\$ 48.8	\$ 43.6	\$ 32.7	\$ 31.4	\$ 20.4	\$ 21.8
Taiwan	33.2	31.8	31.0	18.3	14.9	22.4
United States	28.1	31.9	48.9	33.7	38.4	34.3
South Korea	15.1	14.1	38.4	23.6	28.2	26.7
Europe	14.1	21.0	11.8	9.5	10.6	9.5
Japan	10.1	8.4	9.1	16.9	16.1	10.4
Rest of World	8.4	10.0	6.7	7.2	9.4	7.1
	<u>\$ 157.8</u>	<u>\$ 160.8</u>	<u>\$ 178.6</u>	<u>\$ 140.6</u>	<u>\$ 138.0</u>	<u>\$ 132.2</u>

Revenue by Market Segment (in millions)

	<u>Q2 2020</u>	<u>Q1 2020</u>	<u>Q4 2019</u>	<u>Q3 2019</u>	<u>Q2 2019</u>	<u>Q1 2019</u>
Foundry & Logic	\$ 109.3	\$ 105.8	\$ 105.1	\$ 68.4	\$ 73.4	\$ 71.6
DRAM	19.1	24.7	42.9	39.4	36.0	28.9
Flash	5.4	4.3	5.2	8.6	4.2	7.6
Systems	24.0	26.0	25.4	24.2	24.4	24.1
	<u>\$ 157.8</u>	<u>\$ 160.8</u>	<u>\$ 178.6</u>	<u>\$ 140.6</u>	<u>\$ 138.0</u>	<u>\$ 132.2</u>

Customers > 10% of Total Revenue

	<u>Q2 2020</u>	<u>Q1 2020</u>	<u>Q4 2019</u>	<u>Q3 2019</u>	<u>Q2 2019</u>	<u>Q1 2019</u>
Intel Corporation	36.1 %	36.2 %	28.4 %	23.9 %	26.1 %	21.3 %
Samsung Electronics Co., LTD.	*	*	14.8 %	*	11.1 %	13.8 %
SK Hynix Inc.	*	*	*	13.5 %	*	*
Micron Technology	*	*	*	11.9 %	10.1 %	*
	<u>36.1 %</u>	<u>36.2 %</u>	<u>43.2 %</u>	<u>49.3 %</u>	<u>47.3 %</u>	<u>35.1 %</u>

* Customer represents less than 10% of revenue for respective period

GAAP to Non-GAAP Reconciliation

(In thousands, except for per share amounts)

	GAAP		Adjustments			Non-GAAP	
	Ended June 27, 2020	Stock-based Compensation	Amortization of Intangibles	Amortization of Inventory Step-Up	Gain on Contingent Consideration	Ended June 27, 2020	
Revenues	\$ 157,824	\$ —	\$ —		\$ —	\$ 157,824	
Cost of revenues	91,657	(901)	(4,926)	(248)	—	85,582	
Gross profit	66,167	901	4,926	248	—	72,242	
Operating expenses:							
Research and development	20,919	(1,389)	—	—	—	19,530	
Sales and marketing	15,615	(1,731)	(1,528)	—	—	12,356	
General and administrative	7,140	(1,621)	—	—	3,700	9,219	
Total operating expenses	43,674	(4,741)	(1,528)	—	3,700	41,105	
Operating profit	22,493	5,642	6,454	248	(3,700)	31,137	
Interest income	376	—	—	—	—	376	
Interest expense	(171)	—	—	—	—	(171)	
Other income (expense), net	(67)	—	—	—	—	(67)	
Income before income taxes	22,631	5,642	6,454	248	(3,700)	31,275	
Provision for income taxes	2,162	2,131	2,438	94	(1,398)	5,427	
Net income	\$ 20,469	\$ 3,511	\$ 4,016	\$ 154	\$ (2,302)	\$ 25,848	
Net income per share:							
Basic	\$ 0.27	\$ 0.05	\$ 0.05	\$ —	\$ (0.03)	\$ 0.34	
Diluted	\$ 0.26	\$ 0.04	\$ 0.05	\$ —	\$ (0.03)	\$ 0.33	
Weighted-average number of							
Basic	76,275	76,275	76,275	76,275	76,275	76,275	
Diluted	78,861	78,861	78,861	78,861	78,861	78,861	

The presentation provides the calculations for Non-GAAP net income and Non-GAAP net income per share. FormFactor excluded the following items from one or more of the Non-GAAP measures: stock-based compensation expense, amortization of intangibles, restructuring charges and acquisition costs. By publishing the Non-GAAP measures, the company's management intends to provide investors with additional information to further analyze the company's performance, core results and underlying trends. FormFactor's management evaluates results and makes operating decisions using both GAAP and Non-GAAP measures. Non-GAAP results are not prepared in accordance with GAAP, and Non-GAAP information should be considered a supplement to, and not a substitute for, financial statements prepared in accordance with GAAP.

Non-GAAP Adjustments & EPS

(In thousands, except for per share amounts)

	Three Months Ended			Six Months Ended	
	June 27, 2020	June 29, 2019	March 28, 2020	June 27, 2020	June 29, 2019
GAAP net income	\$ 20,469	\$ 6,948	\$ 15,890	\$ 36,359	\$ 12,431
Adjustments:					
Amortization of intangibles and inventory fair value adjustment due to acquisition	6,702	7,079	7,263	13,965	14,169
Stock-based compensation	5,642	5,289	5,623	11,265	10,584
Restructuring charges	—	226	—	—	435
Gain on contingent consideration	(3,700)	—	—	(3,700)	—
Acquisition related expenses	—	—	35	35	—
Income tax effect of non-GAAP adjustments	(3,265)	(3,443)	(2,759)	(6,024)	(6,325)
Non-GAAP net income	<u>\$ 25,848</u>	<u>\$ 16,099</u>	<u>\$ 26,052</u>	<u>\$ 51,900</u>	<u>\$ 31,294</u>
Non-GAAP net income per share:					
Basic	<u>\$ 0.34</u>	<u>\$ 0.22</u>	<u>\$ 0.34</u>	<u>\$ 0.68</u>	<u>\$ 0.42</u>
Diluted	<u>\$ 0.33</u>	<u>\$ 0.21</u>	<u>\$ 0.33</u>	<u>\$ 0.66</u>	<u>\$ 0.41</u>
Weighted-average number of shares used in per share calculations:					
Basic	<u>76,275</u>	<u>74,478</u>	<u>76,005</u>	<u>76,140</u>	<u>74,483</u>
Diluted	<u>78,861</u>	<u>76,189</u>	<u>78,510</u>	<u>78,710</u>	<u>76,061</u>

The presentation provides the calculations for Non-GAAP net income and Non-GAAP net income per share. FormFactor excluded the following items from one or more of the Non-GAAP measures: stock-based compensation expense, amortization of intangibles and restructuring charges. By publishing the Non-GAAP measures, the company's management intends to provide investors with additional information to further analyze the company's performance, core results and underlying trends. FormFactor's management evaluates results and makes operating decisions using both GAAP and Non-GAAP measures. Non-GAAP results are not prepared in accordance with GAAP, and Non-GAAP information should be considered a supplement to, and not a substitute for, financial statements prepared in accordance with GAAP.

Gross Profit and Gross Margin by Segment (GAAP)

(In thousands, except for percentages)

	Three Months Ended							
	June 27, 2020				June 29, 2019			
	Probe Cards	Systems	Corporate and Other	Total	Probe Cards	Systems	Corporate and Other	Total
Revenues	\$ 133,784	\$ 24,040	\$ —	\$ 157,824	\$ 113,637	\$ 24,381	\$ —	\$ 138,018
Gross profit	61,523	10,719	(6,075)	66,167	48,492	12,672	(5,812)	55,352
Gross margin	46.0%	44.6%		41.9%	42.7%	52.0%		40.1%

	Six Months Ended							
	June 27, 2020				June 29, 2019			
	Probe Cards	Systems	Corporate and Other	Total	Probe Cards	Systems	Corporate and Other	Total
Revenues	\$ 268,499	\$ 50,078	\$ —	\$ 318,577	\$ 221,740	\$ 48,491	\$ —	\$ 270,231
Gross profit	122,266	24,053	(12,762)	133,557	93,785	25,688	(11,600)	107,873
Gross margin	45.5%	48.0%	0.0%	41.9%	42.3%	53.0%	0.0%	39.9%